

LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS

TO

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

FROM

MARCH 25, 2004

Mr. Riehle called the March 25th Local Government Tax Control Board meeting to order at 9:00am.

Attendance

The following Board Members attended the meeting: James Riehle, Richard Eckerle, Stan Mettler, and Bob Harris.

Discussion

Judy Robertson reported that the only outstanding issue is the Hancock County Unit in partnership with the Hospital Association and the Hospital Building Authority. The DLGF asked for and received a revenue stream statement from the Unit and the final decision is pending.

Recommendation

Richard Eckerle motioned to recommend approval of the minutes from the February 26th meeting. Stan Mettler seconded and the motion carried 4-0.

Clay Township, Hamilton County Lease

The unit is requesting approval of a lease with maximum annual lease payments of \$4,628,000 for a term of twenty (20) years. The lease is for the purpose of the construction and development of a new park and recreation facility. The anticipated tax rate is .0649 based on an assessed value of \$7,127,381,624 and an annual levy of \$4,628,000. This is a controlled project. The Common Construction Wage passed 5-0 at a hearing held February 10, 2004.

Taxpayer Objections:

The date of publication for a public hearing was January 9th, 2004. A public hearing was held January 20th, 2004. The Notice of Determination was published January 23rd, 2004. The Auditor certified No Remonstrance on February 26th, 2004.

Attendance

The following people attended the hearing: Michael Claytor (Financial Advisor with Crowe Chizek), Jeff Rice (Financial Advisor with Crowe Chizek), Andrew Hollowell (Financial Advisor with Crowe Chizek), Ron Carter (Carmel City Council President), Judy Hagan (Clay Township Trustee), Deb Grisham (Park Board Attorney), Mark Westermeier (Park Director), Dan Dutchen (Park Board Member), Brian Bosma (Township Attorney), Trish Leminger (Township Attorney), Sue Dillon (Park Board President), Alan Armstrong (Construction Manager), James Brainard (Mayor of Carmel).

Discussion

The Unit distributed a handout which gave a project overview, the Central Park Project, and the Lease Purchase Agreement Terms. The details are as follows.

❖ Project Overview

- The Carmel-Clay Board of Parks and Recreation formed in 1991.
- The City of Carmel and Clay Township contributes to the funding on a 60%/40% (respectively) split, which is based on Assessed Value of each unit.
- They retained a consultant beginning in 1995 to begin the development of a comprehensive Park & Recreation plan to address recreation needs.
- Several Focus Groups were established during the planning stages.
- Several surveys were done via the telephone and mail.
- In 2000 and 2002 the township obtained the land they needed to begin the project.
- A 40-member Central Park Advisory Committee was formed and a Central Park Owners Committee to obtain additional public input.
- The Park Board adopted the Central Park Master Plan in July of 2002 and amended in January 2004, based on additional public input.

❖ The Central Park Project

- Development of the site requires immediate construction costs in the amount of \$39,415,860
- The project does have enough acreage remaining after the initial construction to further expand services and public areas.

❖ Lease Purchase Agreement Terms

- The Carmel Clay Parks Building Corporation was incorporated on January 12, 2004.
- Semi-Annual payments will begin January 1, 2007 and end January 1, 2025 – a term of eighteen (18) years.
- All parties involved have approved the Lease Purchase Agreement.
- Maximum annual payments will be \$5,433,000.
- The township will cover all taxes and assessments, insurance, costs of maintenance, alterations and repairs, and will have control of all improvements.
- Lease payments will be collected through a uniform tax rate levied throughout the Township, including the City.

The Central Park Project is located on both sides of the Monon Trail. The Trail will remain open at all times during construction of the Park.

There was a remonstrance attempt, which failed. The opposition was only able to obtain approximately 170 signatures.

Questions by the Board:

James: What is the population the park can serve?

Answer: At the highest peak, the Park could hold 3,000. When the build-out is completed in seven years, it will be able to serve 120,000.

Rich: Will you charge an admittance fee?

Answer: Yes. Non-residents of Carmel or Clay Township will be charged more. The operating costs are designed to be tax neutral.

James: Will you have adequate access to the Park?

Answer: They have designed up to four entrances into the Park.

Rich: Is there still a railroad track on the Monon Trail, or has it been removed?

Answer: The tracks were removed and it is now a paved walking path. It was not an accident that the Central Park is located around the Monon Trail.

Bob: Two Board Members opposed the resolution – why?

Answer: They opposed the original amount of \$59 million dollars – they would have approved a \$51 million dollars issuance. They compromised at \$55 million dollars.

Bob: Why did the remonstrators oppose the project?

Answer: Some just didn't like it, some because of the competition it would bring to their business, and some because they don't like anything.

Stan: Why is the Township doing this and not the city?

Answer: The city is aggressively annexing and letting the township levy the rate will make the levy uniform across the whole township.

James: Did this use to be farmland?

Answer: Yes. The reason they chose this site is because it sits almost at the center of the Township.

Stan: On the hearing information sheet you have \$4,628,000 for twenty years and your handout says \$5,433,000 for eighteen years – which is correct, what are you asking for?

Answer: The advertised amount is high because we had to estimate the interest rate – it is for a twenty-year issuance.

Recommendation

Stan Mettler motioned to recommend approval of lease not to exceed \$5,433,000 for a term not to exceed twenty years. Rich Eckerle seconded and the motion carried 4-0.

Monroe Township Fire District, Morgan County Fire Equipment and/or Building Loan

The unit is requesting approval of a fire equipment loan in the amount of \$1,800,000 for a term of six (6) years in order to construct a 14,942 square foot fire station. The anticipated tax rate is .1563 based on an assessed value of \$190,328,610 and a levy of \$297,450.

Taxpayer Objections:

The date of publication for a public meeting was December 10, 2003. A public meeting was held December 22, 2003. The Notice of Determination was published January 3rd, 2004. The Auditor certified No Remonstrance on March 11, 2004.

Attendance

The following people attended the hearing: Rodric Bray (Attorney), Tobin Seucfeld (Fire Dept.), Brian Wahl (Fire Dept.), Janet L. Mitchell (Fire Dept.).

Discussion

Their request is to build a new command post and district Headquarters. They are located on the north side of Monrovia.

Questions by the Board:

Bob: You have an estimated tax rate of .002 cents, according to our calculation it is much higher than that. We calculate it at about fifteen cents.

Answer: In all of our public meetings we said between ten and fourteen cents.

Bob: What is your township fire rate?

Answer: Approximately 7 to 8 cents. That will decrease in 2007 when the debt has expired.

Bob: Have you had any objectors?

Answer: No, several people attended the meetings and said they were impressed with what we are doing.

Bob: Are they going to change SR39?

Answer: The state has talked about it, but nothing has been finalized.

Stan: One publication does not cite a term and the second publication says twenty-five years. I know that is not according to statute – will that be a problem with the DLGF?

Bob: That will be a decision that Beth will need to make.

Response: There were several people that attended both meetings and approved the six years we are asking for today because of the savings in interest it will bring.

Stan: Will there be a holding corporation?

Answer: No, this will be a straight loan with the bank.

Stan: Will the loan be for the District or the Township?

Answer: The District because it covers the township and the town.

Bob: At the most recent meeting the taxpayers heard thirteen to fourteen cents?

Answer: Yes.

Recommendation

Stan Mettler motioned to recommend approval of a fire loan in the amount of \$1,800,000 subject to correct information be provided to the DLGF on the term. Rich Eckerle seconded and the motion carried 4-0.

Hancock County Public Library, Hancock County General Obligation Bonds

The unit is requesting approval to issue bonds in the amount of \$5,750,000. Proceeds of the bond issue will be used to construct a new library building, together with the incidental expenses in connection therewith. The unit is requesting property tax backup approval only. They expect to use revenue from the County Economic Development Income Tax (CEDIT) to re-pay the bond debt. Should a tax levy become necessary, the anticipated tax rate is estimated to be .0280 based on an assessed value of \$1,863,070,110 and an annual levy of \$521,550. The Common Construction Wage passed with a 4-0 vote with one member absent. This is a controlled project because of special legislation that allows the County to fund the Library with CEDIT funds.

Taxpayer Objections:

The date of publication for a public hearing was January 29th, 2004. A public hearing was held February 10th, 2004. The Notice of Determination was published February 18th, 2004. The Auditor certified No Remonstrance on March 22nd, 2004.

Attendance

The following people attended the hearing: Jane Herndon (Bond Council with Ice Miller), Andy Hollenbeck, C. Thomas Cone (Attorney), Dianne Osborne (Library Director), E J Kline (Business Manager), Savi Mishelolo (Meyer Najem), Jeremy Welu (KR Montgomery), Colette Irwin-Knott (Financial Advisor with H J Umbaugh & Associates).

Discussion

They were pleased when in 1985 the Library moved to its present location. In 1993, they expanded their service area to include Sugar Creek Township. They presently serve eight of the nine townships in Hancock County, and the ninth through reciprocal borrowing. Because of special legislation, they became the Hancock County Public Library that is funded entirely from CEDIT funds. They have had numerous focus groups since 2001 with over 400 community members involved. In January 2004 they opened a small branch in partnership with the Eastern Hancock School Corporation using a room in the high school.

Their users have increased 54%, cardholders have increased 48%, circulation has increased 32%, and their summer reading program has increased 129%. They have purchased a tech-mobile, which has not only books, but a computer lab as well. They have added a distance-learning program and formed a partnership with the Hospital for illiteracy. They have had no objections or remonstrance.

Questions by the Board:

Stan: Is the \$750,000 local funds on hand and available to use?

Answer: Yes – the actual amount on hand is \$840,000 now and the Rainy Day fund has over \$950,000.

Bob: Who has to approve an increase in the CEDIT rate?

Answer: The County Council.

Stan: Why not allocate all of the funds to debt service instead of using your operating fund?

Answer: Because there is only one “pot” of money and that is CEDIT funds. There is no reason to separate and distinguish between funds.

Bob: Will there be an increase in the CEDIT rate to fund this project?

Answer: No, there should be no need.

Recommendation

Rich Eckerle motioned to recommend approval to issue general obligation bonds in the amount of \$5,750,000. Bob Harris seconded and the motion carried 4-0.

Buck Creek Township, Hancock County Emergency Fire Loan

The unit is requesting approval of an emergency fire loan in the amount of \$160,000 for a term of one (1) year in order to fund firefighters salaries. The anticipated tax rate is .0576 based on an assessed fire value of \$260,336,020 and a levy of \$149,950.

Taxpayer Objections:

The date of publication for a public hearing was December 31st, 2003 and January 8th, 2004. A public hearing was held January 14th, 2004. The Notice of Determination was published January 20th and 22nd, 2004. The Auditor certified No Remonstrance on February 27th, 2004.

Emergency Loan Calculation

The unit shows a need of:

January 1, 2004 Cash Balance	Fire Fund	\$7,701
Plus: 2003 Certified Tax Levy		\$165,997
Plus: Estimated 2003 Revenues		\$350,000
Total Funds Available 2004		\$523,698
Less: Encumbered Appropriations		\$0
Less: Estimated 2004 Expenditures		\$778,268
Funds Remaining		(\$254,570)

Emergency Loan Requirement

\$254,570

Attendance

The following people attended the hearing: Melvin Branson (Trustee), Rudolph A. Nylund (Asst. Fire Chief).

Discussion

This is the third year in a row that they have requested an emergency fire loan. The first year they requested \$50,000, last year they requested \$95,162 and this year they are requesting \$163,000. Buck Creek Township is a bedroom community for Marion County. They are a fast-growing community and the fire department is hurting because PTRC can no longer be used for fire protection services – it all has to go into the general fund. Their budget is in excess of \$6-700,000. They use to be an all-volunteer fire department, now they are partially paid and partially volunteer. They have ten paid firefighters. Most of their volunteers are from outside the Township because they cannot find anybody willing to volunteer in their own township.

Questions by the Board:

James: Have you hired any new firefighters?

Answer: No. The increase in the amount of the loan from last year is because they have used up their entire operating budget. Also, the firefighters will be paid for a full twelve months, instead of just a partial year like last year.

James: What is your population?

Answer: 7-8,000 people.

Another thing is we are required to give out abatements, which just raised the taxes for everybody else. The County Council approves the abatements, not us.

James: What is your fire rating?

Answer: We have a Class 5 rating with twenty-five volunteers.

James: Do you have a mutual aid agreement?

Answer: Yes.

Bob: Have you had any objectors – has anyone come to your meetings?

Answer: No objections and nobody has ever come to any of the meetings.

Recommendation

Rich Eckerle motioned to recommend approval of an emergency fire loan in the amount of \$160,000 for a term of one (1) year. Stan Mettler seconded and the motion carried 4-0.

Jasper County Public Library, Jasper County General Obligation Bonds

The unit is requesting approval to issue bonds in the amount of \$3,200,000 with maximum annual payments of \$352,650 for a term of fifteen (15) years. Proceeds of the bond issue will be used to build a new branch library at Wheatfield, Indiana. The anticipated tax rate is estimated to be .0188 based on an assessed value of \$1,621,330,368 and an annual levy of \$304,650. The Common Construction Wage passed with a 5-0 vote at a meeting held February 18th, 2004. This is a controlled project.

Taxpayer Objections:

The Date of Publication for a Public Hearing was June 12th, 2003. A Public hearing was held on June 23rd, 2003. The Notice of Determination was published June 26th, 2003. The Auditor certified No Remonstrance on July 29th, 2003.

Attendance

The following people attended the hearing: Jane Herndon (Bond Counsel with Ice Miller), Lynn Daugherty (Director), Edward P. Dumas (Local Attorney), Andy Hollenbeck (Bond Counsel), Lonnie Therber (Financial Advisor), Jeff Anglemeyer (Architect).

Discussion

Jasper County is the third largest county in area, but very small in population. In 1986, the Wheatfield Library moved from one room in the high school to its current location on 1/3 acre of ground. It has served them in this location for almost twenty years, which was what the original plan called for. Library usage has increased greatly.

In 1998 they formed a task force group to study needs and uses. In 1999 they established a Library Capital Projects Plan with the main focus of saving money for an expansion. All of the projections show that the population will continue to grow in all of the three townships they serve.

In 2002 they commissioned a feasibility study. The County Council voted unanimously to approve the plan that resulted from that study.

They had a verbal agreement with a school to expand the library building onto and using the back-end of the property where a school is currently located. Last year, the school withdrew their agreement because they need to expand in order serve their growing school population. They are landlocked in their current location and have no room to expand the building. The current building is not capable of having a second floor added to it. After numerous meetings, they have decided to build a new library in a different location. They have had no remonstrance or objections to the plan.

Questions by the Board:

James: Have you acquired the land already?

Answer: Yes.

Stan: Does the new plan have adequate parking?

Answer: Yes, most definitely. More than enough parking.

Stan: Is all of the \$400,000 of capital project money on hand?

Answer: Yes, and more.

Rich: Do you have only one building?

Answer: No – they have three total.

Bob: Does your current debt rate fall off in 2006?

Answer: Yes, 2006 will be the last year for the current debt rate.

Stan: Your construction costs seems to be a bit high – especially your contingency costs.

Answer: The contingency is estimated at 10%, which is a little high. The construction costs and contingency amount will decrease once the project is bid and we have real number to work with. We are anticipating that the construction costs will be about \$1.6 million.

Recommendation

Stan Mettler motioned to recommend approval to issue general obligation bonds in the amount of \$3,200,000. Rich Eckerle seconded and the motion carried 4-0.

Vigo County Unit, Vigo County Lease

The unit is requesting approval of a lease with the Vigo County Building Corporation with maximum annual lease payments of \$752,000 for a term of twenty (20) years with the total lease amount not to exceed \$7,365,000. Proceeds of the lease will be used for the purpose of financing the acquisition, renovation and equipping of a County Courthouse. The unit expects to use General Revenues (specifically CCD revenue) of the County to re-pay the debt. If a tax rate becomes necessary, the anticipated tax rate will be .0260 based on an assessed value of \$2,889,550,070 and an annual levy of \$752,000. This is an uncontrolled project. The Common Construction Wage passed 3-0 with two members absent at a meeting held February 18th, 2004.

Taxpayer Objections:

The date of publication for a public hearing was February 20th, 2004. Public hearings were held February 17th and March 2nd, 2004. This issue will be subject to remonstrance after the Notice to Execute Lease is published.

Attendance

The following people attended the hearing: Courtney Schaafsma (Crowe Chizek), Judith A. Anderson (Vigo County Commissioner), John Hansley (CTA Construction Manager), Bill Bryan (Vigo County Commissioner), Jim Bramble (Vigo County Auditor), Tim Fears (Vigo County Attorney), Herschel Frierson (Crowe Chizek), Lisa Lee (Ice Miller), Michael Claytor (Crowe Chizek).

Discussion

They need to renovate their 125-yr old Courthouse. It has never been renovated on the inside before. It was built in 1874-1875. It will be a very big job to renovate the whole building.

Questions by the Board:

James: Where will your offices be located during renovation?

Answer: They will renovate one floor at a time and use the Courthouse Annex that is three blocks away.

James: Will you need to acquire land?

Answer: No, all the work is going to be done on the inside.

James: You are not adding on either?

Answer: No, just renovating.

The County does have a Cumulative Courthouse Fund and a CCD Fund. The money left over from building the Courthouse, plus the money in the CCD fund will be used for the renovation project. They are asking for a property tax backup simply for security reasons – in order to secure a better interest rate.

Rich: Is the CCD dedicated to this project?

Answer: Yes – per the resolution, the CCD revenue is for this project only. This past year, they adopted both CAGIT and CEDIT. Other projects that come up will be funded from these two taxes, not from the CCD Fund.

Bob: The amount in your CCD and Cum. Courthouse, is that your cash balance for what year?

Answer: As of December 31st, 2003 – it is also the current cash balance.

Bob: How much revenue does your CCD generate?

Answer: Probably around \$670-680,000 per year. The bond issue will go as long as needed to keep the payments under the CCD revenue.

Stan: Are you utilizing the Energy Savings Program?

Answer: Yes, for the heating and air conditioning.

(Discussion about the details of the program)

Rich: I assume there has been a lot of publicity – has there been any objections?

Answer: Yes, a lot of publicity and not one objection.

James: You are going to have an elevator and all?

Answer: Yes

Rich: Are you going to provide a secure area for Judges?

Answer: Yes; we already have metal detectors that everyone must go through when they enter the building.

James: Have you had a confrontation with the Historical Society?

Answer: Yes, they have been involved and have given their approval.

Recommendation

Richard Eckerle motioned to recommend approval of a lease in the amount of \$7,365,000. Bob Harris seconded and the motion carried 4-0.

Maumee Township, Allen County Fire Equipment and/or Building Loan

The unit is requesting approval of a fire building loan in the amount of \$145,000 for a term of four (4) years in order to install a new roof on a portion of the fire station; renovate the existing storage barn and parking lot used by the Volunteer Fire Department; and renovate the exterior of the fire station, including new signage. The anticipated tax rate is .0419 based on an assessed fire valuation of \$88,286,460 and an annual levy of \$37,015. This is an uncontrolled project. The Common Construction Wage is not applicable because there is no new construction and the construction costs are less than \$150,000.

Taxpayer Objections:

The date of publication for a public hearing was October 3rd, 2003. A public hearing was held October 15th, 2003. The Notice of Determination was published October 18th, 2003. The Auditor certified No Remonstrance on November 24th, 2003.

Attendance

The following people attended the hearing: Brian S. Hoepfner (Trustee).

Discussion

Four years ago they renovated the existing building and replaced a portion of the roof – the part of the building that was built in 1976. Now they need to replace the roof on the rest of the building – the part that was built in 1986. They have received a FEMA grant to update their breathing apparatuses and to purchase a cascade system. They would also like to renovate a storage barn they use to house a pick-up truck, a rescue boat, etc and create room to store surplus equipment, including their cascade system.

Questions by the Board:

James: What is your population?

Answer: Around 5000-5500 – that includes the City of Woodburn that has a population of approximately 2300.

James: Are you growing?

Answer: Yes, slowly. There is expansion to the north out of Ft. Wayne and is spilling over into Maumee Township.

Bob: In the construction costs detail you have \$8,850 – what is that for?

Answer: The financing costs to obtain the loan.

They have a mutual aid agreement with two other townships. They have 35 volunteers. Of those 35, about 12 of them are active, another 10 are pretty regular in responding to runs, and another 10-12 should not even be on the department.

Bob: Have you had any objections?

Answer: Not a one – no one ever shows up at the meetings.

Recommendation

Stan Mettler motioned to recommend approval of a fire loan in the amount of \$145,000. Rich Eckerle seconded and the motion carried 4-0.
